

General Court follows holistic approach to evidence of use; dangers of Article 128(7) highlighted  
European Union - NJORD

Registration  
Cancellation  
International procedures

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- Court confirms genuine use of figurative mark representing cross on side of sports shoe
- Differences between mark as registered and versions used on sports shoes were negligible
- Decision highlights dangers linked to use of Article 128(7), which may cause delays and uncertainty

In *Deichmann SE v European Union Intellectual Property Office* (EUIPO) (Case T-68/16, January 17 2018), the General Court has dismissed an action against a decision of the Fourth Board of Appeal of the EUIPO in which the latter had annulled a decision of the Cancellation Division revoking a figurative mark for lack of genuine use.

The case started in Germany, presumably some time in 2010, when Spanish shoe company Munich SL brought infringement proceedings against Deichmann SE before the *Landgericht Düsseldorf*, based on the figurative EU trademark (EUTM) No 002923852, registered in 2004 for sports footwear in Class 25:



In the infringement proceedings, Deichmann counterclaimed in June 2010 for revocation of the mark due to non-use. Pursuant to Article 100(7) of Regulation 2007/2009 (now Article 128(7) of Regulation 2017/1001), the *Landgericht Düsseldorf* decided to stay the infringement proceedings and requested that Deichmann submit an application to the EUIPO for revocation and for a declaration of invalidity of the mark. Deichmann complied with the request. The Cancellation Division of the EUIPO upheld Deichmann's application and revoked Munich's EUTM registration. In essence, it held that the evidence submitted had not enabled it to find that there was genuine use of the mark, in particular because none of the images presented by the proprietor featured the mark as registered:



As the mark was registered as figurative, and not as a position mark, the Cancellation Division held that the two crossed strips appearing on different sports footwear were not equivalent to use of the mark as a figurative trademark. The Cancellation Division added that, even considering the registration as a position mark, the stripes were applied on the shoes in different positions or in different proportions than in the representation.

Munich appealed, and the Fourth Board of Appeal of the EUIPO annulled and rejected the application for revocation. The board held that, as it was the graphic representation which defined the mark, it was irrelevant whether the mark was a position mark or a figurative mark. The decisive factor for the scope of protection is not the categorisation of the sign in question, but the way the relevant public will perceive the mark. The board held that the differences between the mark as used and the mark as registered were negligible.

Deichmann filed an appeal against the decision, claiming in essence that the board had wrongly assessed the subject matter of the mark and compared only a part of it, namely the two stripes, to the evidence submitted.

The General Court sided squarely with the board, and agreed that Munich had documented genuine evidence of use of the registered mark. The court agreed with the holistic approach of the board, which considered that the essence of Munich's registration was two crossed bands at an approximate position on a sports shoe, and that

colour contrasts and differences in the exact placement and thickness of the bands as used were negligible.

This case is interesting for several reasons. Procedurally, one may note the dangers linked to the use of Article 128(7) - which allows an EUTM court to request that the counterclaiming defendant submit an application for revocation to the EUIPO - due to delays and uncertainty. Here, the *Landgericht Düsseldorf* was seized of the matter in 2010, and could have adjudicated the counterclaim for revocation due to non-use itself. However, it elected to urge defendant Deichmann to file the revocation action with the EUIPO. Seven-and-a-half years later, Deichmann was initially successful but then lost twice; it now has the ability to appeal to the Court of Justice of the European Union, which could delay the matter for another two years or more. In this regard, it is interesting to note that Deichmann has been involved in more than 30 oppositions, both as applicant and opponent, and many of these oppositions have been appealed all the way to the General Court and the Court of Justice. So it is possible that this case could revert to the *Landgericht Düsseldorf* nine or 10 years after the plaintiff filed the writ of summons.

This case is also interesting because both the board and the General Court adopted a non-stringent, holistic approach to evidence of use. While the Cancellation Division focused on the differences between the registration and the use, the board considered that these differences were negligible, and the General Court agreed.

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